

*Alternative Fuels*



*Breathe Easier...*

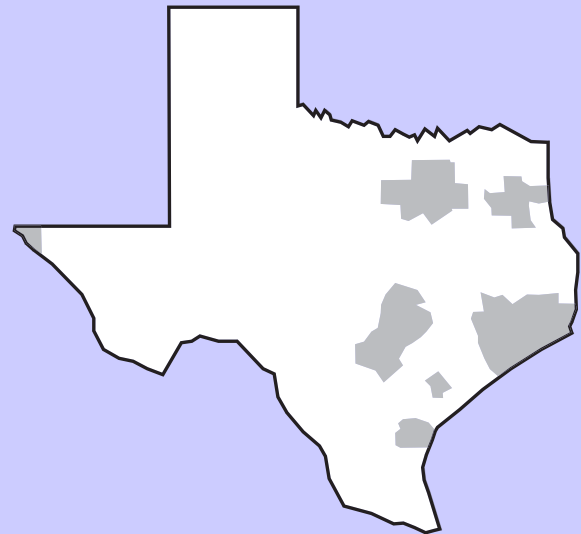
# Texas Emissions Reduction Plan (TERP)

Established in 2001 by SB5 which  
authorize the Emission Reduction  
Incentives Grants.

(NGVTF Sept.09.2003)

# Purpose

To provide monetary incentives for projects to improve air quality in the States 4 non-attainment areas. There are 38 eligible counties.



# Eligible Activities



- On-Road heavy-duty diesel powered vehicles (10,000 lb. GVWR).
- On-site refueling infrastructure.
- On-site infrastructure for electricity.
- On-vehicle infrastructure.
- Use of qualifying fuel.
- Demonstration of new technology.

# Eligible Activities



- Retrofit and add-on activities must be certified to reduce Nox by 30% for the engine installed on the vehicle.

# Eligible Activities

## Repower



- New Factory engine- must emit 30% less Nox than current year minimum std.
- Remanufactured engine-after 1987, 30% less than the year of the engine being replaced.
- Remanufactured - before 1987 must be improved by 50% for the year being replaced.

# Disposition of old Engine

Any engine replaced under this program may not be used within an eligible county during the activity life,



# Infrastructure *Reimbursed*

- Invoiced cost of infrastructure equipment.
- Associated supplies directly related to the installation.
- Design and engineering work .
- Re-engineering and construction cost to an existing site.



# Qualifying Fuel



- Reimbursement of the incremental cost associated with the purchase and use of qualifying fuel or fuel additives, 18 months only
- For fuel additives, the incremental cost includes the full cost of the additive.
- Qualifying fuel must be verified by the EPA or CARB, and other than standard gasoline or diesel.

# Demonstration of New CenterPoint Technology

- Must demonstrate practical low-emission technologies, repower options and advanced technologies for Hvy-duty diesel.
- Expense will be reimbursed that are directly attributable to the project.
- Case by case basis.

# Cost effectiveness



- May not exceed \$13,000 per ton of Nox.
- Demonstration projects do not need a cost standard.

# Fees are not Taxes



- Increase cost for a certificate of title from \$13 to \$33, \$28 dollars.
- Impose a 1% surcharge on retail sale of on road diesel.
- Impose surcharge on sale, rental and lease of off-road diesel.

# Funding



- Constitutionally solid funding.
- \$120 million dollars the first year.
- \$170 million dollars the last year.
- Average roughly \$150 million annually.

# Funding



- \$131.25 million (87.5%) will go to Heavy - duty Grant program.
- \$14.25 (9.5%) will go towards Research and Development.
- The remaining 3% will go towards administration of the program.



# Contact Sheet

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CenterPoint Energy Alternative Fuels

1111 Louisiana, Suite 2134

Houston, Texas 77002

Telephone: 713-207-5624

Toll Free: 1-888-CNG-CNPT

Fax: 713-207-0785

[altfuels.CenterPointEnergy.com](http://altfuels.CenterPointEnergy.com)

e-mail: [johnny.labum@CenterPointEnergy.com](mailto:johnny.labum@CenterPointEnergy.com)